

P-421/CP-87-189 ORDER ACCEPTING COST STUDIES AND PROPOSED RATES
AND REQUIRING POLLING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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Commissioner

In the Matter of the Petition of
Certain Subscribers in the
LeSueur Exchange for Extended
Area Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

ISSUE DATE: March 16, 1993

DOCKET NO. P-421/CP-87-189

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PROCEDURAL HISTORY

On March 31, 1987, subscribers in the LeSueur exchange filed a petition requesting extended area service (EAS) to the Minneapolis/St. Paul metropolitan calling area (the MCA). The LeSueur exchange is served by US WEST Communications, Inc. (US WEST).

In an Order dated June 20, 1989, the Commission consolidated the LeSueur petition into the then-pending metro EAS proceeding.

In 1990 the Minnesota legislature enacted a statute which established the criteria for a successful EAS petition. Under the EAS statute, Minn. Stat. § 237.161, the following criteria must be met:

1. The petitioning exchange is contiguous to an exchange or local calling area to which extended area service is requested in the petition;
2. Polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the commission agree that no polling is necessary;
3. At least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study.

On June 26, 1990, the Commission issued its ORDER AFTER RECONSIDERATION OF JUNE 20, 1989 ORDER IN LIGHT OF MINNESOTA STATUTE § 237.161 (1990). In that Order the Commission found that the LeSueur exchange was not adjacent to the MCA and the LeSueur petition therefore did not meet the first statutory

criterion for the installation of EAS. The Commission found, however, that LeSueur is adjacent to the Belle Plaine exchange, which was also pursuing EAS to the MCA. If Belle Plaine's petition were successful, Belle Plaine would become part of the MCA and LeSueur's adjacency requirement would be fulfilled. For this reason, the Commission did not reject LeSueur's petition, but stayed action on it pending the resolution of Belle Plaine's petition effort.

Belle Plaine's subscribers eventually voted for the installation of metro EAS, and LeSueur's adjacency requirement was fulfilled. After LeSueur's EAS petition was reactivated, US WEST filed a traffic study showing that more than 50 percent of LeSueur subscribers placed one or more calls per month to the MCA. The LeSueur petition thus met the second criterion for the installation of EAS.

On February 20, 1992, the Commission issued its ORDER REQUIRING COST STUDIES AND PROPOSED RATES. In that Order the Commission required the telephone companies affected by the LeSueur petition to submit cost studies and proposed rates for the LeSueur/MCA EAS route.

On September 28, 1992, the Commission issued its ORDER REQUIRING REFILED COST STUDY AND PROPOSED RATES. In that Order the Commission directed Eckles Telephone Company, one of the local exchange companies serving the MCA, to refile cost studies and proposed rates for the proposed LeSueur/MCA EAS route. Refiled studies were necessary because Eckles had recently been the subject of an earnings investigation conducted by the Department of Public Service (the Department) in which its access charges had been lowered. Eckles refiled its cost studies and proposed rates between October 13 and November 5, 1992.

On November 12, 1992, the Department submitted a letter to the Commission, recommending acceptance of the cost studies and proposed rates filed by the affected local exchange companies for the LeSueur/MCA EAS petition.

This matter came before the Commission for consideration on March 9, 1993.

FINDINGS AND CONCLUSIONS

When a petition seeks EAS to the MCA, in most cases the costs of providing EAS must be allocated between the petitioning exchange and the petitioned local calling area (the MCA) on a 75 percent/25 percent basis. Minn. Stat. § 237.161, subd. 3. Applying this requirement to the LeSueur EAS proceeding, the following rate additives for subscribers in the LeSueur exchange result:

<u>Type of Service</u>	<u>EAS Rate Additive</u>
1 party resident	\$12.17
2 party resident	9.40
1 party business	30.42
Trunk	34.98
Semi Public	30.42
Measured:	
Resident	4.44
Business	7.17

Minn. Stat. § 237.161 also requires that if a petition seeks EAS to the MCA, the telephone company serving the petitioning exchange shall make local measured service or another lower cost alternative to basic flat-rate service available to customers in the petitioning exchange. In this case, local measured service will serve as the lower priced alternative to full flat-rate metro calling.

The Commission finds that the cost studies and proposed rates filed for the LeSueur/MCA EAS route are appropriate and should be accepted. The Commission will proceed to polling of the LeSueur subscribers to determine if the third statutory criterion will be fulfilled. US WEST should cooperate fully with Commission Staff and the Commission polling contractor to expedite the polling. Upon request, US WEST should provide a customer list for the LeSueur exchange and any associated information in a timely fashion.

ORDER

1. The cost studies filed by US WEST, Eckles Telephone Company, GTE Minnesota, Scott-Rice Telephone Company, United Telephone Company and Vista Minnesota are accepted.
2. Subscribers in the LeSueur exchange shall be polled to determine if a majority responding to the poll favor the installation of EAS. Rates included in the poll will be those quoted in the body of this Order.

A description of local measured service and rates should be included in the polling materials.

3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)